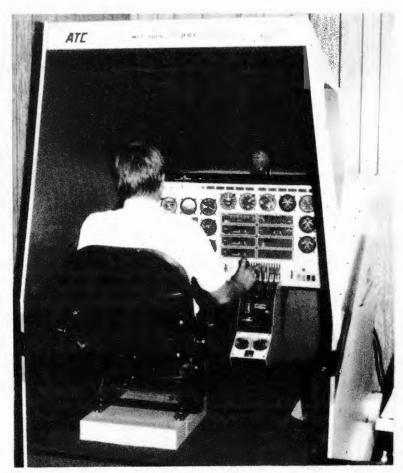
PBA Pilot Training Program

PBA currently has 95 line pilots plus 10 management pilots and almost fifty aircraft of four different types. To keep each pilot proficient in each aircraft in which he is qualified, as well as to upgrade pilots into new aircraft, is a job of tremendous magnitude. The primary responsibility for this undertaking falls upon the shoulders of Naples-based Chief Pilot George Sinka. He is assisted by George K. Davies, Jr., Chief Pilot, Northern Division, plus nine Check Airmen and Instructor Pilots, who qualify for their job under an FAA approved training program.

Company initial pilot employment requirements are an Airline Transport Pilot Certificate, plus about 2,000 hours of flying time, preferably in aircraft similar to those operated by PBA. Following employment, a pilot goes through a basic company indoctrination program, and then through each successive step of qualification for the make and model of aircraft to be flown. Normally the order of lese steps is Bandeirante copilot, DC-3 opilot, Martin 404 Copilot, Cessna 402 Captain, Bandeirante Captain, DC-3 Captain, then Martin 404 Captain. The pilot training program includes a number of hours of ground school, varying with each type of aircraft followed by flight training and then line checks, which is the operation of the aircraft over the scheduled routes supervised by a check airman. For each large aircraft in which a pilot becomes qualified as pilot-incommand, a type-rating is added by the FAA to his Airline Transport Pilot Certificate.

Following qualification in an aircraft, a pilot must further undergo recurrent training once per year in each make and model aircraft in which he is qualified. In addition, Captains must undergo a check every six months to demonstrate proficiency to fly under Instrument Flight Rules.

It is obvious that to accomplish all of this initial pilot qualification, and then the continual program of recurrent training, requires a lot of aircraft flying time. Chief Pilot Sinka estimates that on retrent training alone PBA aircraft each year fly 300 hours for captains plus 200 hours for copilots.



The new Cessna 402 Simulator greatly aids the PBA training program.

To aid and also cut costs in this training, PBA in February purchased a new Cessna 402 Simulator manufactured by Analog Training Computers. This new training aid saves a lot of flight time in aircraft, because procedures can be taught and practiced on the ground. Further, it reduces recurrent training time. All flying in the simulator is accomplished under instrument conditions, and experienced pilots report it is more difficult to "fly" the simulator than an actual aircraft. All various types of instrument approaches can be practiced as well as various emergency procedures, such as single-engine operation of multi-engine aircraft. Captain Sinka reported in late April that he had 17 pilots whom he had scheduled to upgrade to Cessna 402 Captains and that the simulator would save about 85 hours of flying in this program alone.

Looking ahead, Chief Pilot Sinka is an-

ticipating training for pilots and copilots in the soon-to-be-acquired 58-passenger turbo prop YS-11, which will add one more type of aircraft to the PBA fleet. The qualification of about 20 pilots in this aircraft is scheduled for the month of May in a school being conducted by Piedmont Airlines in Winston-Salem, North Carolina. In addition to the extensive training and associated costs, PBA will be faced with a shortage of regular flight crews to operate the published flight schedule. Curtailed pilot time off, and some overtime, will be necessary to successfully complete this program. Each time a new, large aircraft is introduced, the work load for training of all departments of PBA personnel becomes a significant burden. The greatest load falls on pilots, stewardesses, and mechanics, but they enthusiastically accept this as advancement and part of growth within the industry.

Management Perspective



As the first quarter 1982 results for the airline industry are being announced, and we learn that even Delta Air Lines lost money (for the first time in 25 years), one has to reflect on the pricing policy of the airlines, which was largely responsible for those losses. The questions is: Is it better to be undersold and make a profit than to match a competitor's fare that is priced substantially below cost?

When the PATCO Controller's Strike occurred on August 3, 1981, PBA was particularly hard hit in its operations into Boston and New York. We lost \$250,000.00 in revenues during the first two weeks of the strike, with no reduction in expenses, due to the Air Traffic Control delays we were encountering.

At that point Peter Van Arsdale, the president, and I made a very critical decision for PBA. We raised fares in all markets to a level that would provide profitability. This meant elimination of the "Crazy Fare" in Florida, which was a desperate attempt to combat the loss of joint fares to Naples.

It also meant that in many markets PBA charged more than its competition over a given route. Thus, Air New England was cheaper than PBA in Massachusetts, and the Air Florida commuter out of Naples and Marathon was also less expensive than PBA. But we offered much better service than the competition, and we were only a few dollars more expensive.

It is peculiar that when passengers want to fly somewhere, they certainly shop for the best deal, but they are willing to open their purses to the tune of a dollar or two to ride in an aircraft that is better maintained, with more experienced flight crews. It also helps if they are assisted by well qualified reservations staff utilizing computers for sales access to other airlines' seats, that the ticket counter agents are uniformed, neat, and friendly, and that the baggage handlers are courteous and efficient. Finally, passengers enjoy waiting in a clean, new terminal facility, and PBA has the best terminal building at every airport it serves.

The rest is history. Air New England did not raise its fares August 15, 1981, but it pulled out of the Islands on September 15, and New England's certificated airline closed its doors for good on November 1, 1981.

The Air Florida commuter stopped serving Naples on December 1, 1981, and its successor, North American Airlines, terminated all service to Naples on January 15, 1982. It is also interesting to note that high flying Air Florida lost 19 million dollars in the first quarter of 1982, as much as it lost in all of 1981.

PBA turned a modest profit in 1981. True, before taxes, it was only ½ of 1 percent of our revenues in 1981; but it was a profit. That fact puts PBA nearly alone among both small and large airlines alike. Very few airlines made a profit in 1981.

In the first quarter of 1982 traffic was up 40 percent over last year, and PBA was profitable. True, the Naples market was hard hit by irrational airline pricing policies at Fort Myers, largely led



by Delta Air Lines. But for people willing to pay for the service, PBA was still the most convenient way to travel.

We are going to be offering packages in the months ahead designed to stimulate traffic in the form of off-peak fares, commuter books, and advance purchase excursions, plus a "Fly Free With A Friend" promotion in markets where load factors are low. But all fares will be cost based, and they will be designed to produce a profit.

With the addition of its YS-11 aircraft, PBA will continue to offer service that may not always be the least expensive, but it will always be the best. In aviation, as in most other areas, you get what you pay for, and quality must be factored into the purchase price. When the dust settles, and airline deregulation is only history, PBA intends to still be here, offering its same great service at the lowest reasonable price.

Thank you for flying PBA,

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John C. Van Arsdale, Jr. Chairman